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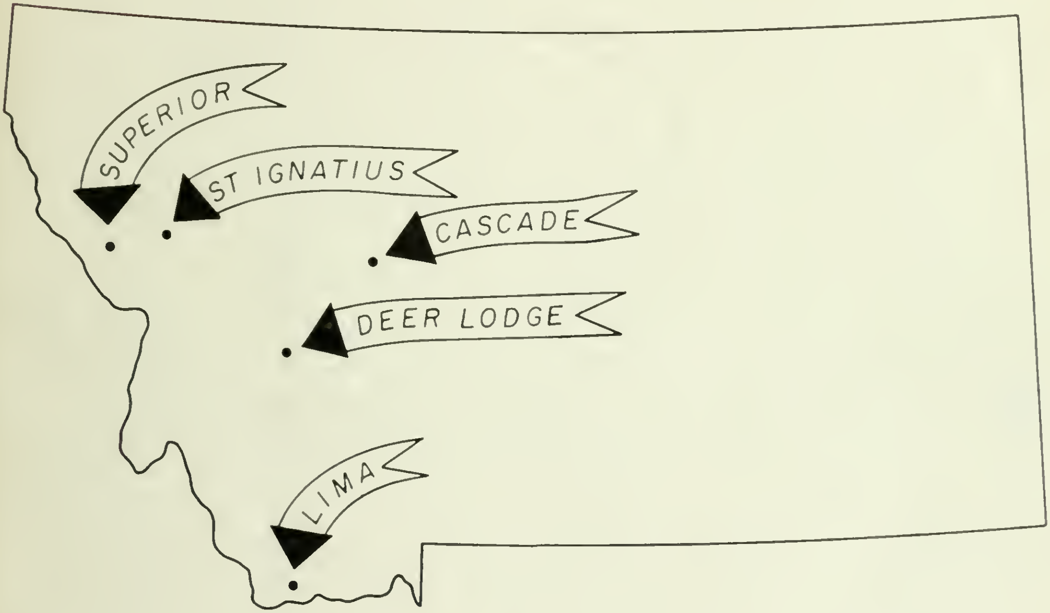

ON FIVE MONTANA COMMUNITIES

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EFFECTS OF HIGHWAY BYPASSES ON FIVE MONTANA COMMUNITIES

Prepared by

Bureau of Business and Economic Research
University of Montana

For

Montana State Highway Commission
Planning Survey Section

In Cooperation With

US Department of Commerce
Bureau of Public Roads

ACKNOWLEDGMENTS

Too many people in too many places--especially in the bypassed communities--helped in making this study for everyone to receive the individual acknowledgment deserved. The cooperation of the State Board of Equalization, and especially the Income and Corporation License Tax Department, was essential, of course. Perhaps it should be explained here that while the State Board of Equalization was very cooperative, it also was very careful to determine the legitimacy of the study and to impress upon those involved in the research the law prohibiting the divulgence of income tax return data pertaining to any individual firm, or pair of firms. Many at the Bureau of Business and Economic Research gave assistance, too, particularly Mrs. Maxine C. Johnson, Mrs. Susan S. Wallwork, and Robert A. Watne. While George L. Mitchell collaborated in the study, the responsibility for any shortcomings in it are mine.

Gene L. Erion

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INTRODUCTION

INTRODUCTION TO THE STUDY

This study of the effects of highway bypasses upon the Montana communities of Cascade, Deer Lodge, Lima, St. Ignatius, and Superior was initiated with a dual purpose. The first, obvious purpose was to determine as objectively as possible what the effects of bypasses upon those communities were. Did being bypassed benefit or hurt those communities?

The second purpose was to determine whether adequately reliable data are available, or can be obtained at a reasonable expense, for determination of the effects of highway bypasses upon particular Montana communities. If not, then the bypass effects upon the five communities specified cannot be ascertained; nor can the effects of bypasses upon other communities in the state. This study, then, was intended as a pilot study to explore the possibility of establishing, to a satisfactory degree, what the consequences have been for Montana communities already bypassed by highways. Study of additional communities might then provide a basis for predicting the effects of bypasses built in the future, if the circumstances were comparable.

It should be added at once that there is no intention of representing this study as having explored all present possibilities as to the obtaining of data pertaining to bypass effects for the five communities studied. Rather, some of the possibilities that appeared more promising to those involved in the study were investigated. Perhaps other approaches would be more fruitful--one alternative will be suggested later. And it is wholly possible that in the future there will be improvements in the availability and quality of data desired.

Gross Receipts Data

In other studies, made in other states, evidence as to the economic effects of highway bypasses generally has been drawn primarily from retail sales tax data. Economic effects have been judged on the basis of gross sales--gross receipts--of businesses in the communities studied. The State of Montana does not have a retail sales tax; but it does have a net income tax. And its income tax returns provide for the reporting of gross receipts. The use of gross receipts data obtained from state income tax returns appeared to be an attractive possible alternative to the use of (unavailable) retail sales tax data at the start of the present study. If gross receipts for the business firms in the bypassed communities could be obtained for before and after the bypassing, these would provide a substantial start toward appraising the economic effects of the bypasses upon those communities.

A highway bypass might be detrimental to some businesses in a community, beneficial to others. Presumably, businesses that are highway-oriented would be more likely to be adversely affected; while those businesses not highway-oriented might be benefited if the bypass, for instance, reduced traffic congestion and made parking in the business district less difficult. Consequently, where possible in this study the distinction has been made between those businesses that are highway-oriented and those that are not highway-oriented. Businesses considered to be highway-oriented are motels, hotels, restaurants, bars, and service stations.

It would be desirable also to compare the bypassed communities with others not affected by bypassing to provide a control element--a basis for judging whether changes in gross receipts should be attributed to bypasses or to changes in more general conditions affecting others as well as the bypassed communities. In addition, it would be desirable to determine whether other changes in circumstances peculiar to the bypassed community had occurred. To illustrate the first point, if the years before, during, and after the installation of a bypass were years of inflation, gross receipts of businesses in the community might well increase, but the increase might be greater or less as the economic effects of the bypass were favorable or adverse. Another type of possibility is this. A bypass is installed. The following year a prolonged strike occurs against a major firm in the bypassed community. Gross receipts of businesses are lower that year than before or during construction of the bypass. Did the installation of the bypass, or the strike, cause the drop in gross receipts? This should serve to explain the second qualification mentioned as to other changes peculiar to the bypassed community. Of course, it would be possible that installation of a bypass be followed by a strike, a nationwide recession, and a decline in gross receipts of businesses in a bypassed community. There are difficulties, in other words, in isolating the effects of a single changed circumstance--a new bypass--from the effects of other changes.

Other Data

In planning this study, it was considered desirable to use other data in addition to the gross receipts figures. It was hoped these would be useful both for what they might reveal in themselves and as a check upon the gross receipts data. Bank debits and electric power consumption figures might reflect changes in the level of economic activity in the community in general. Data on gallonage of gasoline sales might indicate the effects of bypasses on filling stations, an important type of highway-oriented business. It was thought that further insight as to bypass effects might be obtained by considering changes in water, power, and telephone connections; in school enrollments; and in traffic accidents and violations. If possible, consideration also would be given to less measurable effects of bypasses. The safety of children, the amount of traffic congestion, the general atmosphere in the community with and without a major highway passing through it--difficult to define, what's more, to measure--these could be of importance to residents in a bypassed community.

Choice of Communities and Periods

Why were the five communities of Cascade, Deer Lodge, Lima, St. Ignatius, and Superior chosen for this study? Several factors entered into the choice. Smaller communities would reduce the work involved in obtaining the gross receipts data from income tax returns, while nevertheless providing a test of that particular approach. Some communities have been particularly energetic in opposing a proposed bypass, or in voicing complaints after its installation. The study of some would involve more travel expense; of others, less. Some communities were bypassed more recently; some, less recently. At the time the selection was made, it was thought that more time to adjust to bypass effects might make a difference, that the longer-run effects might differ from the immediate effects. Not realized was the greater difficulty that would be involved in obtaining data, especially gross receipts data.

It was decided that each community would be studied for the period beginning with the year before the contract for bypass construction was let. On the one hand, it might have been better to have started with a yet earlier year. Sometimes the stimulus to the local economy of a major public works is anticipated; and, while the effect of such anticipation is difficult to pinpoint and measure, any question of such an effect can be avoided by starting the period of study with a sufficiently early year. On the other hand, the farther into the past the period of study is extended, the more difficult becomes the obtaining of gross receipts data in particular.

As recent data as available were sought in each case. Gross receipts for unincorporated businesses were not yet obtainable from the income tax returns for individuals for 1964, however, when the data were compiled at the State Board of Equalization.

OBTAINING GROSS RECEIPTS DATA

Principal sources of gross receipts data were the income tax returns held by the State Board of Equalization. While corporations are classified by municipalities by the Board, unincorporated firms owned by individuals (and partnerships, included with individuals) are not. Hence, it was necessary to obtain a list of firms in each community, which was done by consulting the telephone directories for the periods covered.[1] Then individuals in each community were consulted as to who owned or had owned what businesses.[2]

The next step was to consult the return of each individual for each year, a task complicated somewhat by the storing of the returns for each year in the order in which they were received by the State Board of Equalization. Many of the returns of individuals, however, did not show gross receipts. They showed only adjusted gross income, or net income, particularly in the earlier years included in the study. And for the years 1955-1958, State of Montana income tax returns for individuals did not provide for the reporting of gross receipts. The starting point for computing the state income tax was adjusted gross income as reported on the federal income tax return. This precluded the use of gross receipts data obtained from state income tax returns in studying both St. Ignatius and Lima. The contract for the St. Ignatius bypass was let in 1955; for the Lima bypass, in 1958. But gross receipts data for St. Ignatius are not available for 1955-1958, nor for Lima for 1957-1958.

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[1] The Mountain States Telephone and Telegraph Company provided directories for years past.

[2] Although many others also gave assistance, the major help in this respect came from R. C. Berger, editor and publisher of the Cascade Courier; Alan Denton, Powell County Assessor; Mrs. Mettie N. Stephens, the Mayor of Lima; Fred Gariepy, Town Clerk of St. Ignatius; and Mrs. Bertha Morris, Mineral County Clerk.

With the passage of time, some firms go out of business, and new firms are started. And ownership of existing firms changes. In studying bypass effects it would be desirable to have the gross receipts of all firms for every year. That is, total gross receipts should reflect both the varying fortunes of firms in existence and changes in the size of the business population.

The approach taken in this study was to include in the totals the gross receipts of any firm for which data were available for all of the years of the firm's existence during the period studied. Excluded were the gross receipts of firms in existence but for which data could not be obtained for one or more of the years studied. The totals should not be affected by the fact that the figures for particular firms in particular years simply could not be obtained. In some cases, as mentioned above, gross receipts data were shown on individual income tax returns for some years for a firm, but not for other years. If the gross receipts for the missing years could not be obtained directly from the individuals involved, their gross receipts were excluded from the totals for all years. On the other hand, if it could be determined that a particular firm had begun in business, or had gone out of business, in a particular year, and its gross receipts could be obtained for all other relevant years of its known existence, then its gross receipts were included in the totals.

If gross receipts data could not be obtained from state income tax returns, the information was sought directly from the taxpayer, when seemingly feasible, by telephone calls, letters, personal calls, or a combination of those means. While the results of those efforts were far better than might reasonably have been expected--most people reached were very cooperative--they still fell short of the level desired. The reasons were many: records had been destroyed after sale of a business; records had been lost in fire; the taxpayer had died; a rough approximation of sales was offered that appeared inconsistent with recorded data; the taxpayer had left Montana, address unknown.

In all, there were 172 firms for which gross receipts data were sought, but usable data were obtained for only 60 firms, or 35 percent. Not surprisingly, results were much better in obtaining data from corporations--30 of 37 firms, or 81 percent--than from individuals--35 of 135 firms, or 22 percent. The rate of satisfactory data obtained also varied between communities; Cascade, 10 of 19 firms, or 53 percent; Deer Lodge, 35 of 95 firms, or 37 percent; Superior, 15 of 58 firms, or 26 percent.

When the data are spread among three towns, and the data for each community are further broken down into the classifications of "highway-oriented" firms and firms "not highway-oriented," the number of firms in any sub-category is unfortunately small. This can be seen

Table 1

NUMBER OF FIRMS FOR WHICH USABLE GROSS RECEIPTS DATA WERE OBTAINED IN EACH COMMUNITY

Cascade	
Highway-oriented	4
Not highway-oriented	6
Total	10
Deer Lodge	
Highway-oriented	5
Not highway-oriented	30
Total	35
Superior	
Highway-oriented	5
Not highway-oriented	10
Total	15

in Table 1. It should also be recognized that the firms for which data were used do not comprise a random sample, nor one selected on the basis of judgment as to representativeness. Rather, it was a matter of taking, simply, what was available. Because of this, there may well be some upward bias in the data. As already mentioned, data were more easily obtained for more recent than for earlier years. And, of course, firms going out of business are more likely to belong more to the "earlier years" category, while those entering business are more likely to have greater showing in the "more recent years" category. To the extent this is true the showing in gross receipts data of any effects from a by-pass would be blunted. Such blunting would be accentuated for highway-oriented firms inasmuch as they generally tend to be of the relatively smaller, less stable type for which the obtaining of usable data was more difficult. The tendency is indicated by the fact that corporations comprised 57 percent of the firms not highway-oriented, for which usable data were obtained; but they comprised only 29 percent of the highway-oriented firms.

SOME OBSERVATIONS ON THE OTHER DATA

The use of data pertaining to communities not bypassed, discussed above as providing a control element, did not appear practical in this study for two reasons. For the communities studied, satisfactorily comparable communities could not be selected. And the difficulty in obtaining gross receipts data for the five studied, as well as the questionable nature of the data that were obtained, suggested that taking that route for an additional five communities would be impractical. Instead, estimates of personal income for the five counties in which the five towns are located were used as a basis of comparison, estimates prepared by the Bureau of Business and Economic Research, initially for the Bonneville Power Administration. While these estimates extend only through 1962, they cover at least the year following the completion of the bypass in every case, and appear to provide an adequate basis for comparison.

The data on gallonage of gasoline sales, provided by the Montana Petroleum Association, require some explanation. The Association changed its method of obtaining gallonage data in 1961. Prior to 1961, the Association depended upon reports from supplying firms--that is, bulk plants. These were not always complete, some firms not reporting, and tended to be less satisfactory for the larger communities than the smaller. After 1961, the reports of supplying firms were supplemented by gasoline tax data from the State Board of Equalization. One consequence: the Association is able to provide data only for the last six months of 1961. No gallonage data, then, are shown for 1961.

The Association's figures for the years since 1961 should be more adequate than the pre-1961 estimates. This could well mean, also, that the post-1961 data are not strictly comparable with the pre-1961 estimates for the five communities studied. As none of the five ranked among the top ten Montana urban areas in population in 1960, it is possible that the change in method did not affect estimates for any of them. But this is a moot point.

It is likely also, that some of the gallonage shown by the Association for many communities went outside the particular community listed. For instance, Garrison is not included in the latest listing consulted; and it is wholly possible that some gallonage shown for Deer Lodge was delivered to Garrison and other nearby towns as well as to out-of-town, roadside stations.

A similar reservation applies to school enrollment figures. In an era of consolidated districts and busses, school enrollments reflect changes outside the immediate community. Even if enrollment came only from the community itself, it could be expected to reflect changes in economic conditions only imperfectly.

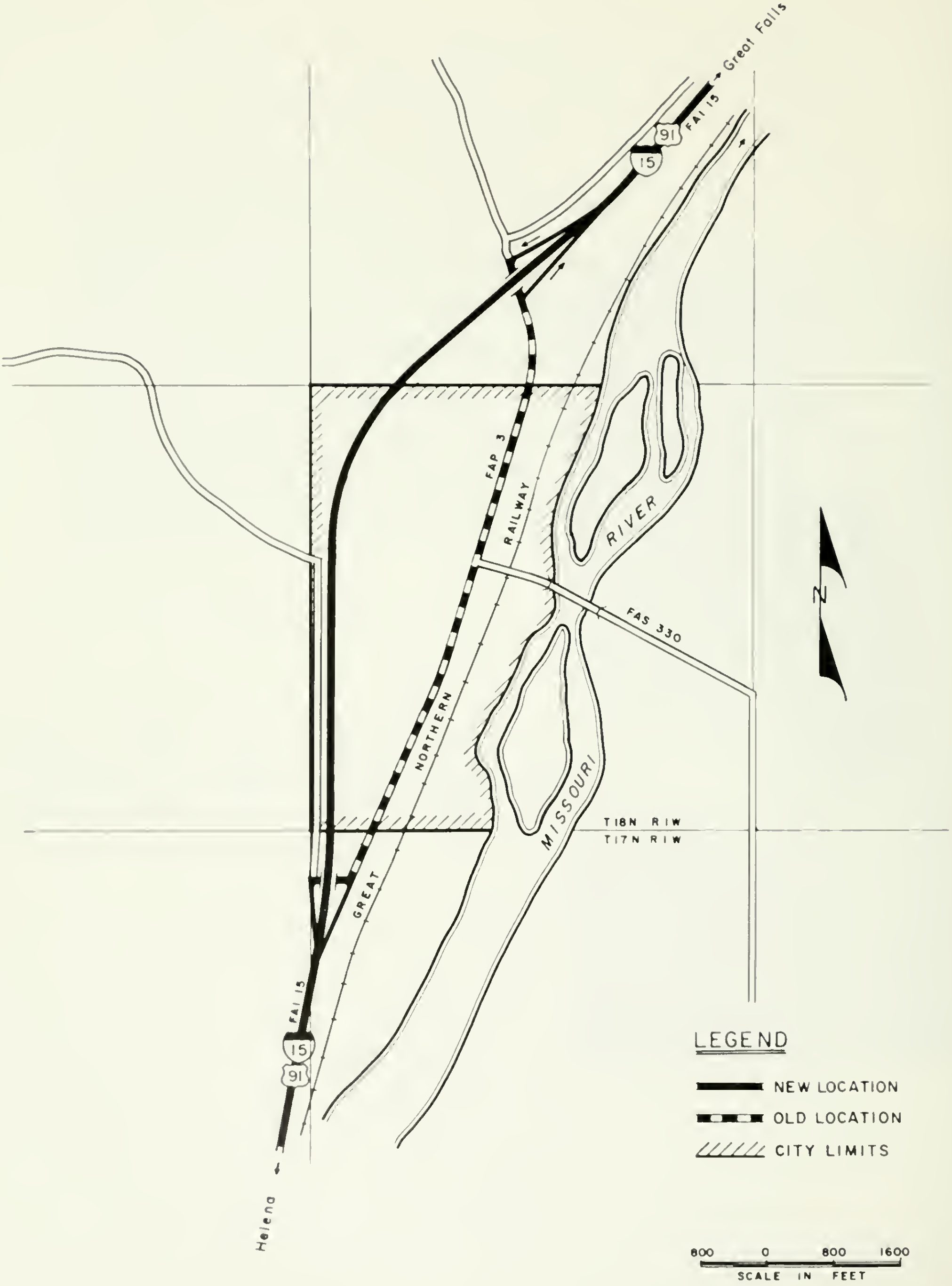
Data on bank debits are available from the Federal Reserve Bank of Minneapolis only for Deer Lodge. In lieu of bank debits, figures on size of deposits were obtained from the Superintendent of Banks for banks in Superior, St. Ignatius, and Cascade. There is no bank in Lima.

Before examining the record for each community individually, one general, and somewhat subjective, observation will be made. Data were not obtainable for the five communities as to traffic accidents and fatalities, yet in each case the conclusion seemed inescapable that the main business street must be more pleasant, less congested and safer without the traffic of a major highway. Along the same line, for those drawn to a community by one or more special features--an outstanding restaurant or motel; particularly good fishing or hunting in the vicinity combined with especially good guide service and comfortable, reasonable accommodations--a bypass would be no deterrent, and might well add to the community's attractiveness by freeing it from the noise and congestion of major highway traffic.

CASCADE

AREA MAP OF

CASCADE, MONTANA



CASCADE

The town of Cascade, bearing the same name as the county in which it is located, has a population of approximately 604 persons and is located on U. S. Highway 91 and Interstate 15 just 26 miles southwest of Great Falls and 68 miles northeast of the capitol city of Helena. The townsite is located on the bank of the Missouri River and the old route taken by U. S. Highway 91 passed directly through the business district along First Street one block west of and parallel to the Great Northern Railway track. The new bypass circumvents the business district, skirting above and to the west of the townsite. The town is clearly visible from the highway before reaching the interchange when approaching from either end of town. The town of Cascade, having no dominant industry, is dependent primarily upon agriculture and highway-oriented business.

Construction of the Cascade bypass began in April of 1961 and the bypass was opened to traffic at the end of January, 1962. Data for Cascade, starting with 1960, the year before construction began, are given in Table 2, and are presented as indexes with 1960 = 100 in Table 3 to facilitate analysis. Two sets of gross receipts data are given, the first including all firms for which data were available through 1963. The gross receipts for some individuals were provided in personal interviews, and hence could be obtained through 1964. The second set of gross receipts data, then, includes only those firms for which figures could be obtained for all five years. It was

Table 2

Cascade

Contract: 3/22/61
Construction started: 4/24/61
Opened to traffic: 1/30/62
Project accepted: 7/29/63

	1960	1961	1962	1963	1964
Personal income estimates--Cascade County (000)[3]	$173,049	$176,589	$198,919		
Gross receipts (1960-1963)--10 firms[4]	$585,013	$569,134	$581,882	$520,230	
Highway-oriented	197,583	202,262	197,386	154,817	
Not highway-oriented	387,430	366,872	384,496	365,413	
Gross receipts (1960-1964), only those firms with 1964 data)--6 firms[4]	$563,843	$544,834	$551,052	$489,739	$497,287
Highway-oriented	190,528	194,962	188,928	148,410	144,197
Not highway-oriented	373,315	349,872	362,124	341,329	353,090
Electric customers[5]	482	543	571	587	588
Kwh sales of electricity (000)[5]	3,593.6	3,880.2	4,271.7	4,382.7	4,719.4
Commercial	667.4	738.3	791.4	774.4	752.0
Industrial	192.8	236.1	224.5	230.1	152.4
Residential	2,683.3	2,855.4	3,203.9	3,324.9	3,761.4
Water customers[6]	268	280	296	292	286
Telephone customers[7]					
Residence	263	271	307	329	335
Business	42	44	44	41	41
School enrollment (October 1)[8]					
Elementary	210	211	204	198	209
Secondary	110	115	130	136	134
Gallonage of gasoline sales (000)[9]	610		889	704	703
Bank deposits, total (000)--Stockmen's Bank[10, 11]	$1,162.0	$1,241.0	$1,232.2	$1,184.6	$1,223.0
Demand	794.7	814.9	792.3	717.8	726.4
Time	212.9	248.4	266.5	291.8	308.8

Table 2 (continued)

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[3] Bureau of Business and Economic Research, University of Montana, Missoula.

[4] Data compiled from state income tax returns made available by the State Board of Equalization, State of Montana, and information provided by individual taxpayers.

[5] The Montana Power Company.

[6] C. S. Moore, Town Clerk and Treasurer of Cascade.

[7] The Mountain States Telephone and Telegraph Company.

[8] Superintendent of Public Instruction, State of Montana, as compiled by Professor Vernon Sletten, School of Education, University of Montana, Missoula.

[9] Ben Havdahl, Executive Secretary, Montana Petroleum Association.

[10] Superintendent of Banks, State of Montana.

[11] Total includes "other deposits," but these are not relevant to this study.

Table 3

Cascade

Contract: 3/22/61
Construction started: 4/24/61
Opened to traffic: 1/30/62
Project accepted: 7/29/63

(1960 = 100)

	1960	1961	1962	1963	1964
Personal income estimates--Cascade County[3]	100.00	102.05	114.95		
Gross receipts (1960-1963)--10 firms[4]	100.00	97.29	99.46	88.93	
Highway-oriented	100.00	102.37	99.90	78.36	
Not highway-oriented	100.00	94.69	99.24	94.32	
Gross receipts (1960-1964, only those firms with 1964 data)--6 firms[4]	100.00	96.63	97.73	86.86	88.20
Highway-oriented	100.00	102.34	99.16	77.89	75.68
Not highway-oriented	100.00	93.72	97.00	91.43	94.58
Electric customers[5]	100.00	112.66	118.46	121.78	121.99
Kwh sales of electricity[5]	100.00	107.98	118.87	121.96	131.33
Commercial	100.00	110.62	118.58	116.03	112.68
Industrial	100.00	122.46	116.44	119.35	79.05
Residential	100.00	106.41	119.40	123.91	140.18
Water customers[6]	100.00	104.48	110.45	108.96	106.72
Telephone customers[7]					
Residence	100.00	103.04	116.73	125.10	127.38
Business	100.00	104.76	104.76	97.62	97.62
School enrollment (October 1)[8]					
Elementary	100.00	100.48	97.14	94.29	99.52
Secondary	100.00	104.55	118.18	123.64	121.82
Gallonage of gasoline sales[9]	100.00		145.74	131.80	115.25
Bank deposits, total--Stockmen's Bank[10, 11]	100.00	106.80	106.04	101.94	105.25
Demand	100.00	102.54	99.70	90.32	91.41
Time	100.00	116.67	125.18	137.06	145.04

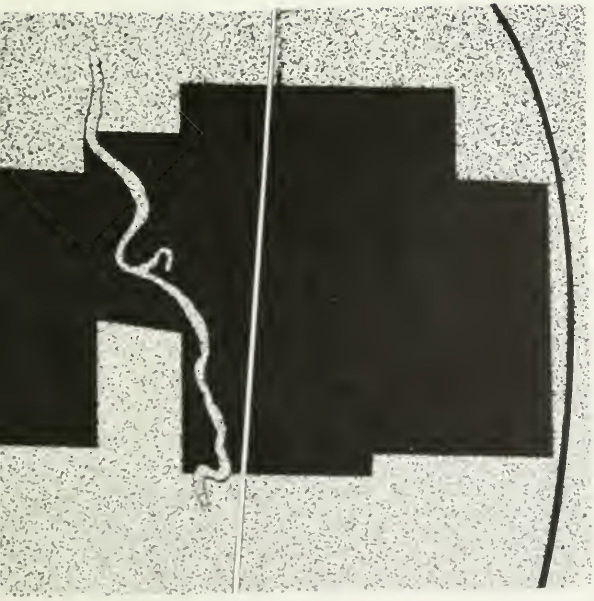
Sources: See Table 2

thought that the 1964 data might be helpful in showing any continuation or reversing of tendencies in the data, and might be particularly desirable in view of the recentness of the installation of the bypass.

The consensus of those interviewed in Cascade was that the bypass had had an adverse effect upon the town, and especially, of course, the highway-oriented firms as a group. The decline in sales of electricity to commercial users in 1963 and 1964, as compared with 1962, for instance, was attributed to the closing of one cafe, with a second operated only sporadically; the closing of two filling stations; and a decline in business for both motels. By and large, other data appear to confirm that interpretation, but only subject to some reservations which will be introduced below. Gross receipts of all firms for which data could be obtained were less in 1963 and 1964 than in 1960, especially those of highway-oriented businesses. Gallonage of gasoline sales fell from a peak in 1962, and the number of business telephone customers was less in 1963-1964 than in 1962-1963. Bank deposits--especially demand deposits, generally more important to businesses than time deposits--reached their highest level in 1961, fell in 1962 and 1963; and although they rose in 1964, they still were below the 1961 level. Bank deposits, however, are heavily influenced by agricultural conditions in the vicinity, and variations in deposits were interpreted at the bank as due to changes in agriculture much more than reflecting bypass effects.

In fact, the data for Cascade in general should not be subjected to interpretation in terms of a single variable. The Great Falls area, including that around Cascade, experienced a very dry summer in 1960; and in 1961 the drouth was even worse, resulting in the declaration of a disaster area. In 1961, of course, the bypass was being constructed, and work was beginning on missile site--silos--construction. The missile site construction was finished, or virtually so, in the first half of 1963. While the drouth would not have particularly affected highway-oriented businesses, it is reflected in the receipts of those not highway-oriented. The highway-oriented firms, in fact, evidently (and reportedly) were helped by the construction activity in 1961, and were sustained at a higher level than they would otherwise have reached by the missile site activity in 1962. Site construction also helped the firms not highway-oriented in 1962; and its ending in 1963 is reflected in the data for both types of firms.

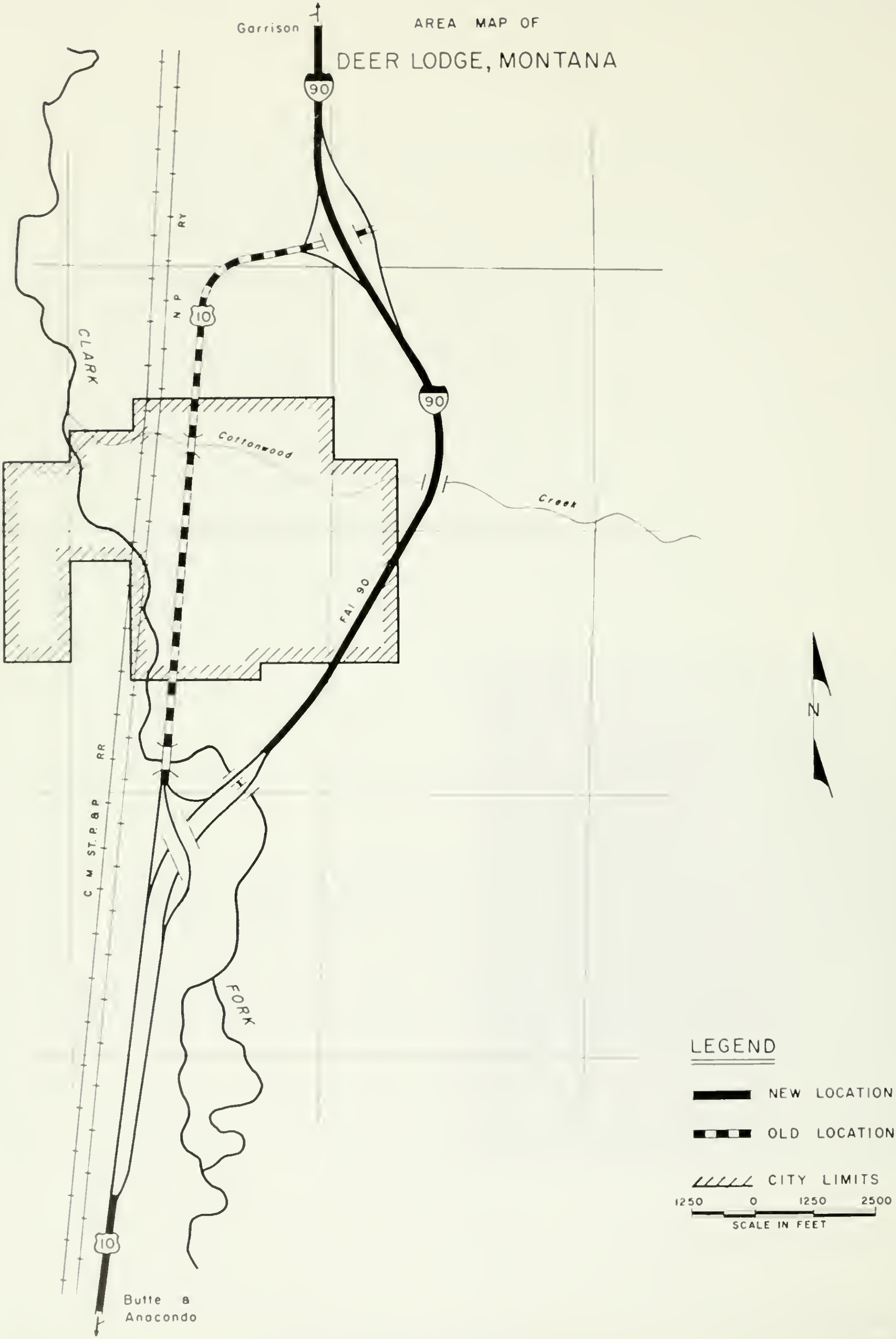
Cascade's economy undoubtedly has slumped since the town was bypassed, especially the highway-oriented business. Without the construction activity which temporarily stimulated it, and without the drouth which temporarily depressed it, would Cascade have experienced some decline in the early 1960's, anyway? Obviously, no one can say. The town does not appear inclined to count itself out; excessive residential vacancies and failure to maintain residences were not apparent in September of 1965. There apparently has been no attempt as yet, either, to relocate existing or to open new businesses on the access road, or to otherwise exploit the town's being bypassed.



DEER LODGE

AREA MAP OF

DEER LODGE, MONTANA



DEER LODGE

The town of Deer Lodge, the county seat of Powell County, is located on U. S. Highway 10 just 24 miles north of Anaconda and 11 miles south of Garrison where U. S. Highway 10 intersects with U. S. Highway 12. Deer Lodge has a population of 4,681, is at an elevation of 4,531 feet, and is nestled in a depression which spans either side of the Clark Fork River which runs directly through the corporate limits of the town. The old route of U. S. Highway 10 passed directly through the principal business district along Main Street two blocks east of and parallel to the tracks of the Northern Pacific Railway and the Chicago, Milwaukee, St. Paul, and Pacific Railroad. The new bypass route of Interstate 90 circumvents above and to the east of the town proper, passing through the southeast corner of the corporate limits. Due to the location of the town in the depression by the river and the distance of both the north and the south interchanges from the town itself, Deer Lodge is not at all visible when approaching the interchange from the south. The economy of Deer Lodge is dependent upon agriculture, highway-oriented business, the proximity of state institutions at Galen and Warm Springs, and the location of the state prison within its corporate limits.

The Deer Lodge bypass construction began in June, 1960; and the bypass was opened to traffic early in December of 1961. Data for Deer Lodge are presented in Table 4, and are converted to indexes with 1959 = 100 in Table 5.

Table 4

Deer Lodge

Contract: 5/25/60
Construction started: 6/13/60
Opened to traffic: 12/8/61
Project accepted: 5/18/62

	1959	1960	1961	1962	1963	1964
Personal income estimates—Powell County (000)[12]	$ 12,499	$ 12,880	$ 13,115	$ 14,761		
Gross receipts (1959-1963)—35 firms[13]	$2,871,676	$2,917,135	$2,955,552	$3,457,150	$4,467,938	
Highway-oriented	229,965	243,579	257,592	306,642	287,879	
Not highway-oriented	2,641,711	2,673,556	2,697,960	3,150,508	4,180,059	
Electric customers[14]	1,781	1,815	1,792	1,813	1,824	1,856
Kwh sales of electricity (000)[14]	14,440.0	15,348.3	15,402.2	16,791.0	18,536.8	19,781.9
Commercial (includes state prison and prison farms)	7,378.5	7,913.1	8,004.0	8,657.7	8,927.3	9,239.0
Industrial	917.1	817.8	843.4	1,163.7	2,275.9	2,858.8
Residential	5,909.8	6,136.7	6,332.0	6,743.5	7,107.1	7,457.3
Water customers[15]	1,246	1,264	1,269	1,280	1,286	1,289
Telephone customers[16]						
Residence	1,229	1,234	1,243	1,265	1,307	1,328
Business	208	216	217	209	207	201
School enrollment (October 1)[17]						
Elementary	713	800	789	838	863	882
Secondary	395	435	396	428	506	522
Gallonage of gasoline sales (000)[18]	2,650	2,571		3,003	2,755	2,887
Bank debits (000,000)[19]	$ 37.0	$ 38.4	$ 39.4	$ 44.1	$ 53.8	$ 54.0

Table 4 (continued)

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[12] Bureau of Business and Economic Research, University of Montana, Missoula.

[13] Data compiled from state income tax returns made available by the State Board of Equalization, State of Montana, and information provided by individual taxpayers.

[14] The Montana Power Company.

[15] J. B. Kendrick, City Water Department, Deer Lodge.

[16] The Mountain States Telephone and Telegraph Company.

[17] Superintendent of Public Instruction, State of Montana, as compiled by Professor Vernon Sletten, School of Education, University of Montana, Missoula.

[18] Ben Havdahl, Executive Secretary, Montana Petroleum Association.

[19] Federal Reserve Bank of Minneapolis.

Table 5

Deer Lodge

Contract: 5/25/60
Construction started: 6/13/60
Opened to traffic: 12/8/61
Project accepted: 5/18/62

(1959 = 100)

	1959	1960	1961	1962	1963	1964
Personal income estimates--Powell County[12]	100.00	103.05	104.93	118.10		
Gross receipts (1959-1963)[13]	100.00	101.58	102.92	120.39	155.59	
Highway-oriented	100.00	105.92	112.01	133.34	125.18	
Not highway-oriented	100.00	101.21	102.13	119.26	158.23	
Electric customers[14]	100.00	101.91	100.62	101.80	102.41	104.21
Kwh sales of electricity[14]	100.00	106.36	106.66	116.28	128.37	136.99
Commercial (includes state prison and prison farms)	100.00	107.25	108.48	117.34	120.99	125.22
Industrial	100.00	89.17	91.96	126.89	248.16	311.72
Residential	100.00	103.84	107.14	114.11	120.26	126.19
Water customers[15]	100.00	101.44	101.85	102.73	103.21	103.45
Telephone customers[16]						
Residence	100.00	100.41	101.14	100.49	98.21	108.06
Business	100.00	103.85	104.33	100.48	99.52	96.63
School enrollment (October 1)[17]						
Elementary	100.00	112.20	110.66	115.43	121.03	123.70
Secondary	100.00	110.13	100.25	108.35	128.10	132.15
Gallonage of gasoline sales[18]	100.00	97.02		113.32	103.96	108.94
Bank debits[19]	100.00	103.81	106.49	119.19	145.41	145.95

Sources: See Table 4

DEER LODGE

Deer Lodge is the largest of the five communities studied, and usable gross receipts data were obtained from more firms than for any other community, 35 in all. Unfortunately, only five of the firms fall in the highway-oriented category; but even so, the data obtained appear to be fairly representative. They include gross receipts for two of the busier restaurants, one of the larger filling stations, and two of the larger motels. Data for two other motels and two other filling stations could not be used because incomplete; but examination of those data indicates sufficient similarity to the data used that the picture would not have been changed by their inclusion.

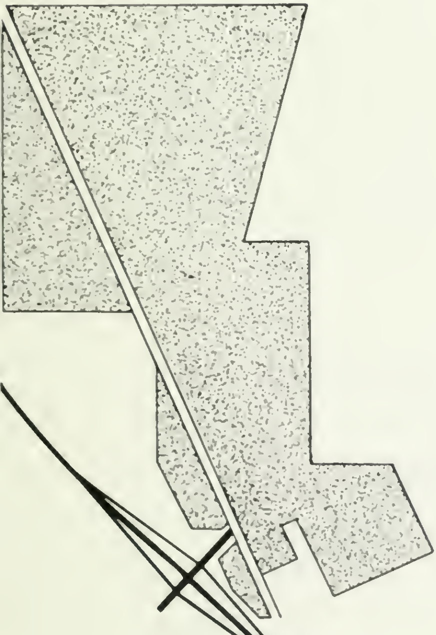
The impression gained from the Deer Lodge data for the period studied is that the bypass had little effect upon the Deer Lodge economy, even with the reservation as to probable upward bias in gross receipts data mentioned earlier. Obtainable gross receipts were higher in 1963 than in 1959 both for firms that were not highway-oriented and those that were, although the percentage of increase was less for the highway-oriented firms. Even they look good, however, when compared with the personal income estimates for Powell County through 1962.

The upward trend in the gross receipts data, furthermore, is paralleled by the trends in the other series presented, with the one exception of business telephone customers. Particularly noticeable and significant is the close correspondence between the gross receipts figures and those for bank debits, most easily seen from the indexes in Table 5. Sales of electricity to industrial and residential users also indicate a more prosperous Deer Lodge economy during the period. The figures for water and electric customers, along with those on business and residential telephone customers, indicate that the higher level of business activity was not due chiefly either to greater population or to an increase in the number of business firms.

The fact that highway-oriented firms did better in 1962 than in 1963 is explainable, not in terms of delayed bypass effects that brought 1963 figures down, but in terms of extraordinary tourist traffic stimulated by the world's fair in Seattle in 1962. It is quite possible that without the stimulus of the fair, the 1962 figure for gross receipts might have been somewhere between those for 1961 and 1963, instead of representing the bulge it does. In this connection, the correspondence in movement between the gross receipts data for highway-oriented firms and the gallonage of gasoline sales figures is interesting, tending to confirm the usefulness of both as indicating no more than a slowing down of highway-oriented business growth.

Conversations with Deer Lodge businessmen and other residents indicated more concern over the effects of the phosphate plant at Garrison on the local agricultural economy than over the effects of the bypass. No new businesses have been built, nor old firms relocated, nearer the highway at either end of the access road.

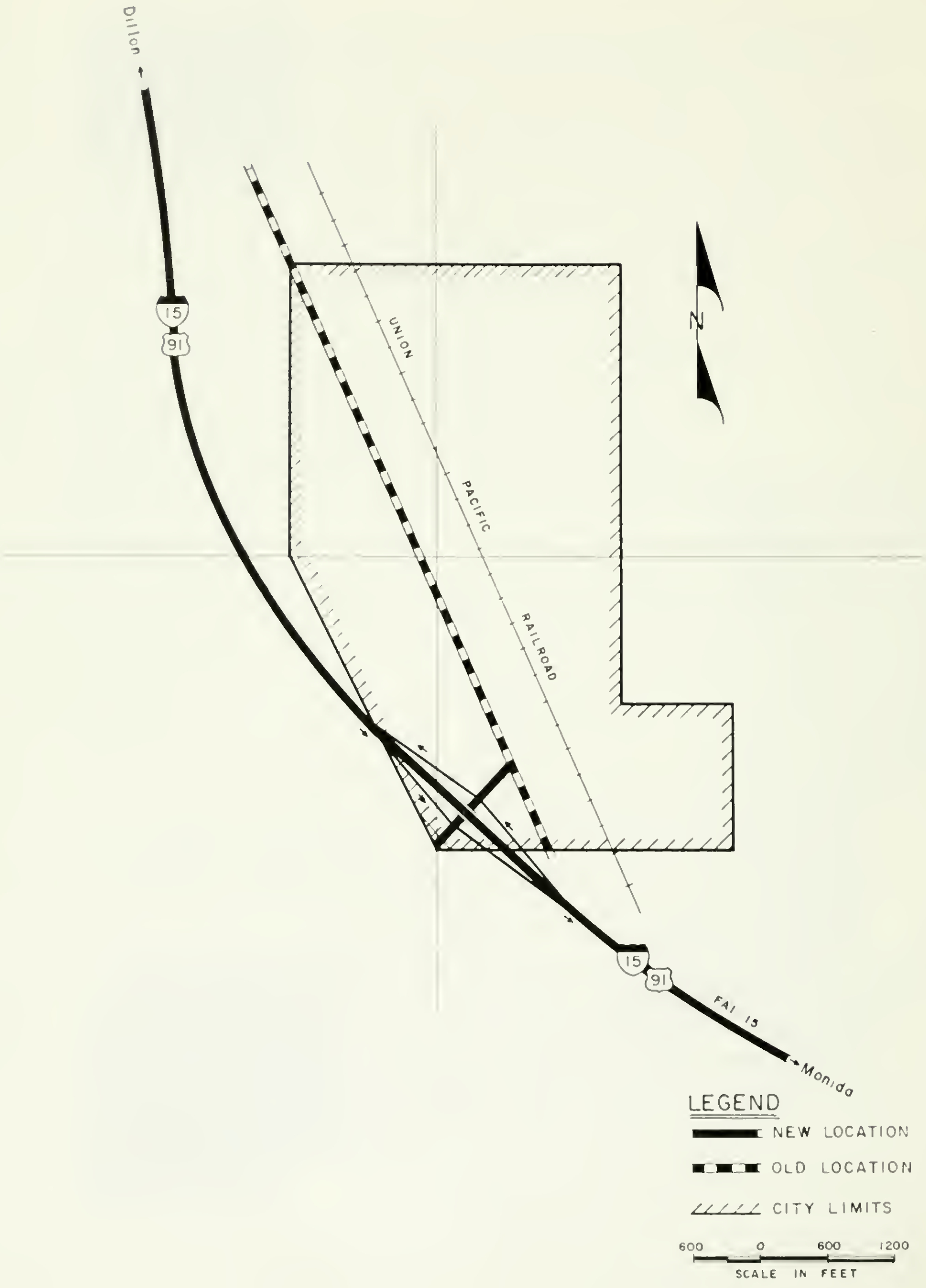
Deer Lodge, then, is a town that continued to prosper after being bypassed, with the continued growth of its local industry. The bypass apparently had little effect, except to move the through-traffic on the highway out of town.



LIMA

AREA MAP OF

LIMA, MONTANA



LIMA

The town of Lima is in southwestern Montana, in the valley of Red Rock River in Beaverhead County, but east of the Continental Divide. The Union Pacific line from Salt Lake City to Butte passes through it; and U. S. 91 - Interstate 15 lies just west of town. By highway it is about 49 miles south of Dillon, the county seat and trade center of the area, and is about 16 miles north of Monida Pass and the Idaho border. With its elevation of 6,265 feet, Lima experiences severe winters and a considerable range of temperature through the year. Agriculture is the chief industry in the area, and the raising of livestock, especially cattle, is the dominant form of agriculture.

As a prelude to the discussion of the effects of the bypassing of Lima, it is interesting to note the census data on the population of the town:

1930	459
1940	554
1950	483
1960	397

Lima experienced a 13 percent decline in population between 1940 and 1950, and a further decline of 18 percent between 1950 and 1960. While the population of Beaverhead County as a whole also was less in 1950 than in 1940, by 4 percent, the county's population increased 8 percent between 1950 and 1960.

Construction of the Lima bypass on U.S. 91 - Interstate 15 was begun May 5, 1958, and the bypass was opened to traffic on September 1, 1959. Whereas old U.S. 91 had been routed down Broadway Street, through the middle of town, the new highway passes about one-fourth of a mile to the west of the town. There the highway is elevated, Lima being easily seen; and a good interchange makes for easy access to the town for travelers from both directions.

Gross receipts data obtained from the State Board of Equalization could not be used in the study of the effects of the bypassing of Lima, as the reporting of gross receipts on the state income tax returns was not required during the earlier part of the period covered. Instead, greater reliance was placed upon personal interviews and upon other indicators, although gross receipts were obtained directly from the three main non-highway-oriented retail establishments.

The interviews with eight of the business people were not structured. Rather they were begun with the explanation that the bypass effects were being studied, and comments were invited. Nevertheless, considerable consensus developed in those comments.

Data pertaining to Lima for the period from the year before bypass construction was started are shown in Table 6, and presented as indexes with 1957 = 100 in Table 7. Factors other than the highway bypass were affecting Lima during this period, of course, and these factors were heavily stressed by the townspeople. The data show the stimulating effect construction of the bypass had upon Lima in the

Table 6

Lima

Contract: 3/27/58
Construction started: 5/5/58
Opened to traffic: 9/1/59
Project accepted: 9/28/60

	1957	1958	1959	1960	1961	1962	1963	1964
Personal income estimates--Beaverhead County (000)[20]	$ 17,548	$ 19,526	$ 18,815	$ 19,605	$ 18,563	$ 23,349		
Gross receipts of three firms not highway-oriented[21]	$ 270,715	$334,065	$ 278,532	$ 250,434	$ 235,619	$ 265,029	$233,699	
Electric customers[22]	128	142	180	141	150	144	161	142
Kwh sales of electricity (000)[22]	576.7	594.2	665.0	388.9	353.6	550.4	657.0	658.6
Telephone customers[23]								
Residence	150	160	163	163	155	164	164	160
Business	33	41	38	38	40	37	38	43
School enrollment (October1)[24]								
Elementary	107	145	105	124	129	101	128	124
Secondary	45	57	51	45	43	43	52	48
Gallonage of gasoline sales (000)[25]	258	404	244	266		263	302	295

Table 6 (continued)

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[20] Bureau of Business and Economic Research, University of Montana, Missoula.

[21] Information provided by individual taxpayers.

[22] Boyd Quick, Manager, Vigilante Electric Cooperative, Inc.

[23] The Mountain States Telephone and Telegraph Company.

[24] Superintendent of Public Instruction, State of Montana, as compiled by Professor Vernon Sletten, School of Education, University of Montana, Missoula.

[25] Ben Havdahl, Executive Secretary, Montana Petroleum Association.

Table 7

Lima

Contract: 3/27/58
Construction started: 5/5/58
Opened to traffic: 9/1/59
Project accepted: 9/28/60

(1957 = 100)

	1957	1958	1959	1960	1961	1962	1963	1964
Personal income estimates--Beaverhead County[20]	100.00	111.27	107.22	111.72	105.78	133.06		
Gross receipts of three firms not highway-oriented[21]	100.00	123.40	102.89	92.51	87.04	97.90	86.33	
Electric customers[22]	100.00	110.94	140.63	110.16	117.19	112.50	125.78	110.94
Kwh sales of electricity[22]	100.00	103.03	115.31	67.44	61.31	95.44	113.92	114.20
Telephone customers[23]								
Residence	100.00	106.67	108.67	108.67	103.33	109.33	109.33	106.67
Business	100.00	124.24	115.15	115.15	121.21	112.12	115.15	130.30
School enrollment (October 1)[24]								
Elementary	100.00	135.51	98.13	115.89	120.56	94.39	119.63	115.89
Secondary	100.00	126.67	113.33	100.00	95.56	95.56	115.56	106.67
Gallonage of gasoline sales[25]	100.00	156.59	94.57	103.10		101.94	117.05	114.34

Sources: See Table 6

years 1958 and 1959; and the decline that ensued in the years 1960 and 1961, after its completion. Several seismographic crews were reported to have been operating in the vicinity of Lima in 1962; and heavy work on the Clark Canyon Dam, 29 miles to the north, was begun that year. Work on the dam continued through 1964, reportedly providing employment for several Lima men. In 1964, there were 15 men employed on three oil drilling crews working near Lima.

Much more heavily stressed by the townspeople of Lima than the bypass, as to any adverse effect, was the decline in railroad employment. At one time the Union Pacific operated a round-house and coal chutes at Lima. These were abandoned when conversion to diesel locomotive was effected in 1952. In 1952, 79 full-time employees of the Union Pacific resided in Lima; in 1965 there were only 28, with most of the decline having preceded construction of the bypass.

Most of those interviewed at Lima thought that two or three businesses may have been hurt by the bypass, but that the chief factor involved was one of attitude on the part of the individual businessmen. Failure to modernize was one factor mentioned.

On the other hand, several thought that the future of Lima lies in highway-oriented business, and looked upon the Lima bypass as part of an over-all program of improvement in U. S. 91 - Interstate 15 that already had increased highway traffic along that route, and would continue to increase it. In support of their contention they cited

23 new, modern motel units, in two different establishments, constructed since the opening of the bypass; and the opening of a new cafe on the access road just west of town, in 1964. The latter was opened by a couple whose business in a retail establishment in town had been steadily declining since 1958. Their gross receipts in 1964 were the highest of any year since 1957. The owner of a bar and the owner of a filling station each said his business was the "best ever," with an increasing proportion attributable to highway traffic; and while each also added that having fewer competitors probably had helped his own position, neither felt that the bypass was a significant factor in reducing competition.

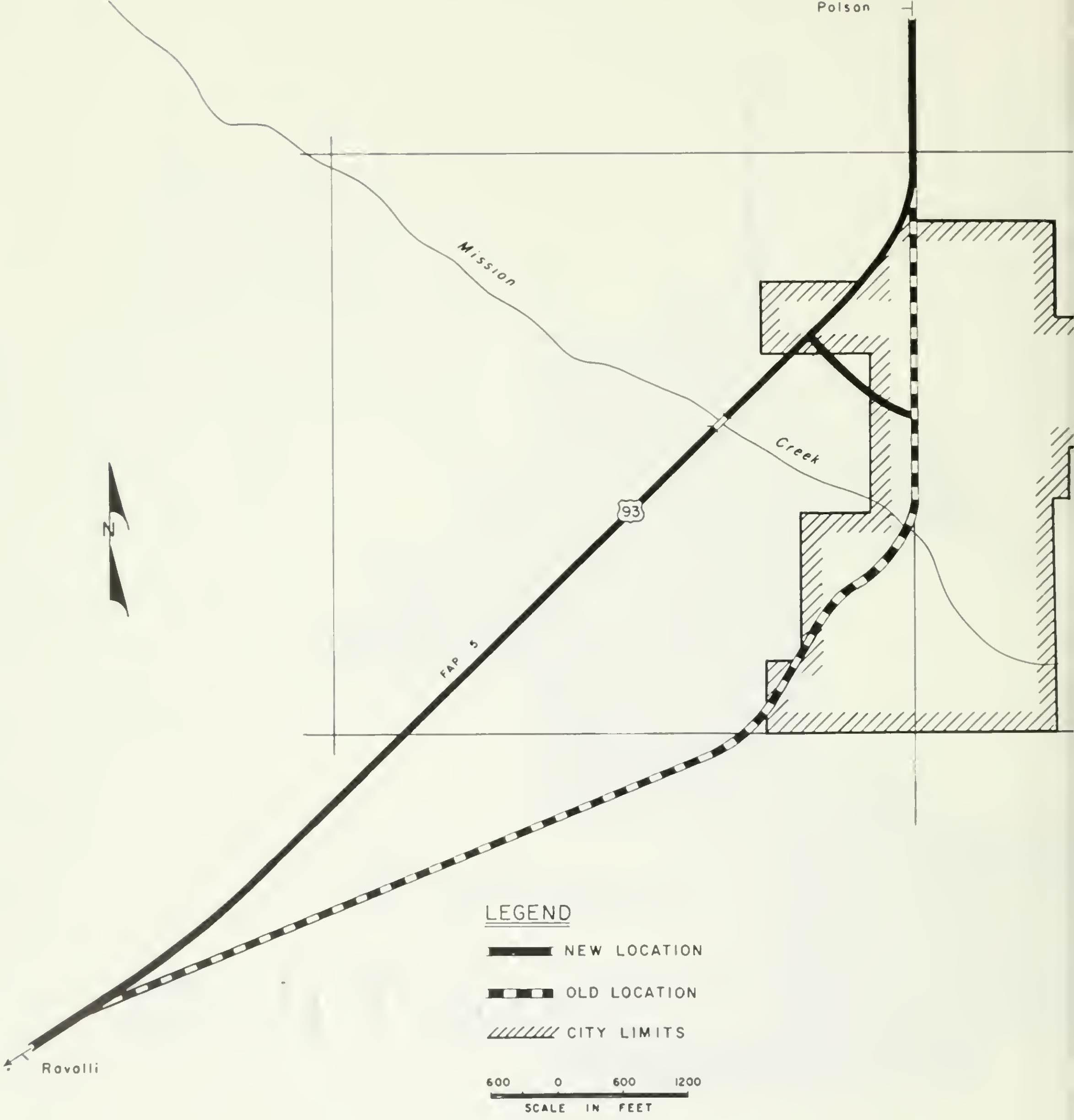
In addition to the continuing increase in traffic along U. S. 91 - Interstate 15 expected by several of those interviewed in Lima, some felt that Lima would benefit from the nature of constructed and planned bypasses themselves. As already mentioned, the Lima bypass is elevated and the town is visible from it. The bypass at Dubois, Idaho, was cited, in contrast, as one which is depressed, allowing no view of the bypassed town; and thereby causing some (it was hoped) to drive the additional 47 miles north to Lima. The hope was also expressed that the bypass planned for Dillon, swinging somewhat wide of it, will result in some driving the additional 49 miles south to Lima. "You can go only so far without needing gas, food, or a rest stop," said one.

Lima, then, is a town which has decreased in size since 1940, a period in which it was bypassed by U. S. 91 - Interstate 15. Much more important than the bypass in its decline, however, has been the nationwide dieselization of railroads; and, in fact, the prevalent attitude in Lima appears to be that its chief hope lies in its highway-oriented businesses, which probably have been benefited, rather than hurt, by the development of the highway.

SAINT IGNATIUS

AREA MAP OF

ST. IGNATIUS, MONTANA



ST. IGNATIUS

The town of St. Ignatius is located on U. S. Highway 93 43 miles north of Missoula and 27 miles south of Flathead Lake. The townsite lies between the Bitterroot and the Mission mountain ranges in the Flathead River Valley at an elevation of 2,936 feet and has a population of approximately 940 persons. Having no industry, the economy of St. Ignatius is almost totally dependent upon agriculture. The old route taken by U. S. Highway 93 went down First Street through the main business district of the town. The new route taken by U. S. Highway 93 passes to the west of the town which though partially visible from the northern approach cannot be easily seen when approaching from the south.

The data available for St. Ignatius, from 1954, the year before the bypass was started, through 1964 are shown in Table 8. The data converted to indexes with 1954 = 100 are in Table 9. Construction of the bypass started in mid-September, 1955; the bypass was opened to traffic in mid-July, 1956.

As already explained, St. Ignatius was one of two towns for which gross receipts data could not be obtained from the state income tax returns for the earlier part of the period. And a few inquiries quickly discouraged the idea of obtaining gross receipts figures for so far back directly from taxpayers. The general reaction to questions about the effects of the bypass was that its installation was too far in the past to be worth thinking about. On the other hand, several

Table 8

St. Ignatius

Contract: 8/30/55
Construction started: 9/16/55
Opened to traffic: 7/15/56
Project accepted: 9/26/60

	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
Personal income estimates--Lake County (000)[26]	$14,337	$14,765	$15,060	$15,584	$17,642	$17,737	$18,216	$18,129	$18,216		
Electric customers[27]	297	300	308	303	305	307	309	315	321	331	336
Kwh sales of electricity, total (000)[27]	1,664.5	1,675.8	1,950.2	2,003.5	2,024.7	2,207.8	2,447.3	2,475.1	2,607.4	2,956.5	3,070.2
Water Customers[28]	253			254				257			258
Telephone Customers[29]	316	323	329	398	410	436	445	452	469	495	518
School enrollment (October 1)[30]											
Elementary	366	370	387	360	374	370	376	375	350	339	331
Secondary	145	159	142	158	156	149	156	163	190	203	204
Gallonage of gasoline sales (000)[31]	347	361	374	324	306	320	355		360	344	275
Bank deposits, total--Lake County Bank (000)[32,33]	$ 673.0	$ 757.2	$ 792.4	$ 812.7	$ 906.4	$ 1,026.5	$ 1,064.0	$ 1,038.8	$ 1,097.4	$1,169.1	$1,308.5
Demand	465.8	512.6	536.8	547.0	579.2	656.0	665.8	630.5	656.1	671.4	748.3
Time	126.4	144.4	145.8	159.3	218.9	249.9	276.1	290.9	331.7	380.5	416.8

Table 8 (continued)

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[26] Bureau of Businees and Economic Research, University of Montana, Miesoula.

[27] A. W. Makinster, Administrative Officer, Flathead Irrigation Project, Bureau of Indian Affairs, U. S. Department of the Interior.

[28] Fred Gariepy, Town Clerk of St. Ignatius.

[29] Clyde C. Payne, Preeident, St. Ignatius Telephone Company.

[30] Superintendent of Public Instruction, State of Montana, as compiled by Professor Vernon Sletten, School of Education, University of Montana, Missoula.

[31] Ben Havdahl, Executive Secretary, Montana Petroleum Association.

[32] Superintendent of Banks, State of Montana

[33] Total includes "other deposits," but theee are not relevant to this study.

Table 9

St. Ignatius

Contract: 8/30/55
Construction started: 9/16/55
Opened to traffic: 7/15/56
Project accepted: 9/26/60

(1954 = 100)

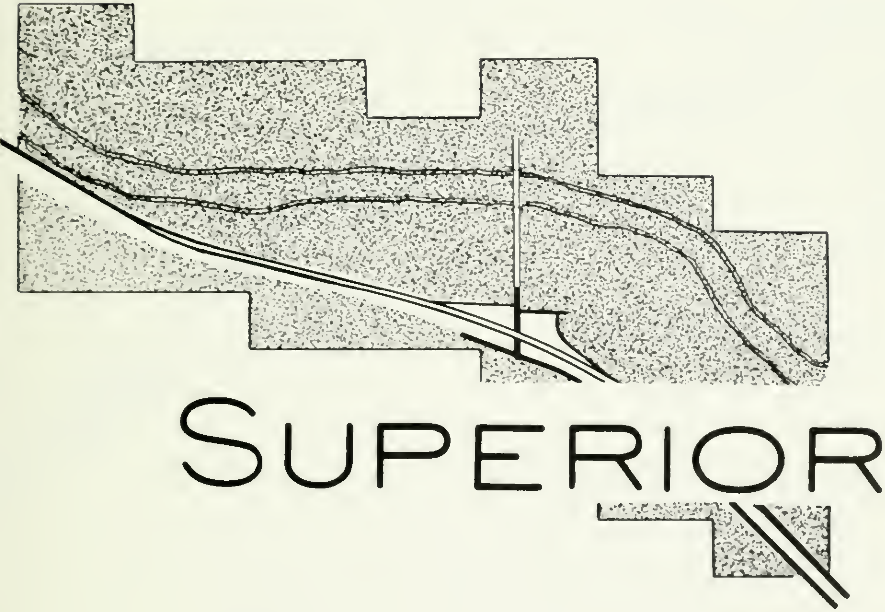
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
Personal income estimates--Lake County[26]	100.00	102.99	105.04	108.70	123.05	123.71	127.06	126.45	127.06		
Electric customers[27]	100.00	101.01	103.70	102.02	102.69	103.37	104.04	106.06	108.08	111.45	113.13
Kwh sales of electricity, total[27]	100.00	100.68	117.16	120.37	121.64	132.64	147.03	148.70	156.65	177.62	184.45
Water customers[28]	100.00			100.40				101.58			101.98
Telephone customers[29]	100.00	101.27	104.11	125.95	129.74	137.97	140.82	143.04	148.42	156.65	163.92
School enrollment (October 1)[30]											
Elementary)	100.00	101.09	105.74	98.36	102.19	101.09	102.73	102.46	95.63	92.62	90.44
Secondary	100.00	109.66	97.93	108.97	107.59	102.76	107.59	112.41	131.03	140.00	140.69
Gallonage of gasoline sales[31]	100.00	104.03	107.78	93.37	88.18	92.22	102.31		103.75	99.14	79.25
Bank deposits, total--Lake County Bank[32,33]	100.00	112.51	117.74	120.76	134.68	152.53	158.10	154.35	163.06	173.71	194.43
Demand	100.00	110.05	115.24	117.43	124.35	140.83	142.94	135.36	140.85	144.14	160.65
Time	100.00	114.24	115.35	126.03	173.18	197.71	218.43	229.43	262.42	301.03	329.75

Sources: See Table 8

expressed the wish for better access to the town from the highway, but more from concern for traffic safety than in the hope for better business.

The data that are available for St. Ignatius indicate a fairly stable community, growing liitle, but not declining, either. The increasing numbers of electric and telephone customers, and the increasing sales of electricity, undoubtedly chiefly reflect a modernization trend, as indicated by comparing them with the water customers figures. The gallonage of gasoline sales data indicate the bypass probably caused some decline in highway-oriented business, although their behavior is a bit erratic, and suggest the possibility that other factors might well be involved, too. Bank deposits show rather impressive growth during most years, but they reflect changes in a much wider area than St. Ignatius itself.

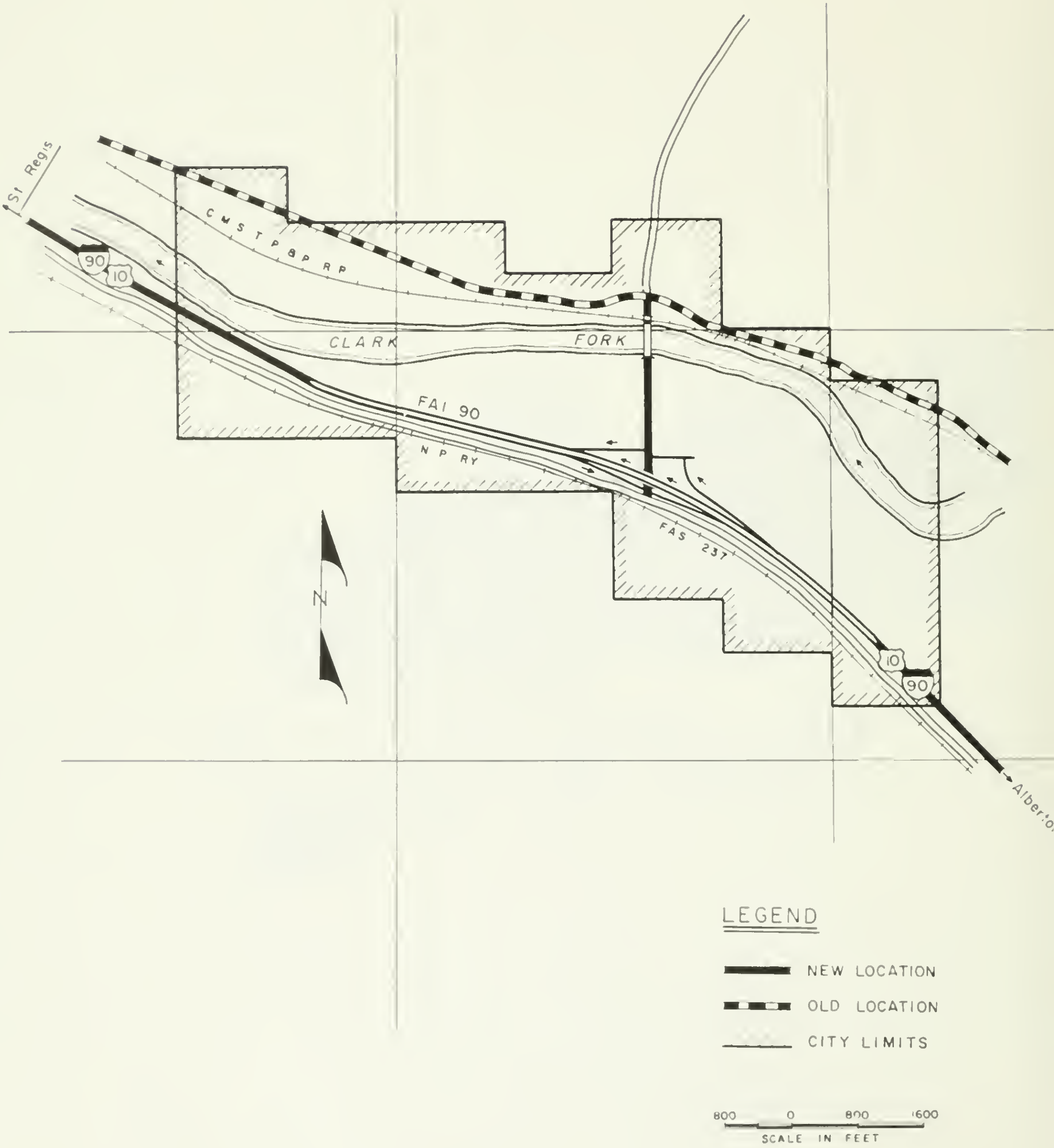
One filling station has been built close to the highway on one of the three access roads. Otherwise, no effort has been made to adjust to or exploit the bypassing of the town.



SUPERIOR

AREA MAP OF

SUPERIOR, MONTANA



SUPERIOR

The town of Superior, located on the banks of the Clark Fork River 59 miles northwest of Missoula and 48 miles east of Lookout Pass and the Idaho state line, has a population of approximately 1,242 persons and an economy which is largely dependent upon the Diamond Match Company plant located there. The Chicago, Milwaukee, St. Paul, and Pacific Railroad, the Northern Pacific Railway, the old route of Highway 10 and the new route taken by Interstate 90 all pass within the corporate limits of the town due to the narrow width of the valley in which Superior is located. The old route taken by Highway 10 was on the north side of the river and ran directly through the main business district. The new route taken by Interstate 90 runs south of the river along the edge of and in plain view of the town. Upon approaching the town from either the east or the west it may be clearly seen before reaching the interchange.

Construction began on the Superior bypass late in March of 1960, and it was opened to traffic in September of 1961. Data for Superior are given in Table 10, and presented as indexes with 1959 = 100 in Table 11. Excluded from the gross receipts data for firms not highway-oriented are the gross receipts of Diamond Match Company. If figures for Diamond Match Company had been included, changes in them would have swamped changes in the gross receipts of other firms. As it is, the importance of Diamond Match Company to the economy of Superior is reflected in several of the series, such as sales of electricity to

Table 10

Superior

Contract: 1/21/60
Construction started: 3/29/60
Opened to traffic: 9/10/61
Project accepted: 7/20/62

	1959	1960	1961	1962	1963	1964
Personal income estimates--Mineral County (000)[34]	$ 4,853	$ 4,473	$ 4,895	$ 4,766		
Gross receipts--15 firms[35]	$623,835	$695,622	$632,714	$925,332	$942,167	
Highway-oriented	186,446	195,753	170,740	186,309	177,110	
Not highway-oriented	437,389	499,869	461,974	739,023	765,057	
Electric customers[36]	530	542	557	534	541	602
Kwh sales of electricity, total (000)[36]	14,474.9	14,770.9	14,899.3	12,651.9	15,725.2	16,225.3
Commercial	865.8	1,054.9	1,030.5	1,127.1	1,158.0	1,169.8
Industrial	10,506.5	10,046.8	10,068.5	7,617.4	10,643.4	10,825.9
Residential	3,026.6	3,588.0	3,698.9	3,791.4	3,807.0	4,119.2
Water customers[36]	379	378	368	358	365	398
Telephone customers[37]						
Residence	288	325	327	299	309	339
Business	80	80	81	78	76	85
School enrollment (October 1)[38]						
Elementary	290	304	278	246	293	311
Secondary	130	107	112	114	129	120
Gallonage of gasoline sales (000)[39]	996	1,058		1,071	905	1,051
Bank deposits, total--First State Bank of Mineral County[40] (000)[41,42]			$ 858.3	$ 1,194.0	$ 1,325.5	$ 1,661.8
Demand			328.9	427.7	400.4	496.3
Time			145.3	378.6	535.2	722.3

Table 10 (continued)

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[34] Bureau of Business and Economic Research, University of Montana, Missoula.

[35] Data compiled from state income tax returns made available by the State Board of Equalization, State of Montana, and information provided by individual taxpayers.

[36] The Montana Power Company.

[37] The Mountain States Telephone and Telegraph Company.

[38] Superintendent of Public Instruction, State of Montana, as compiled by Professor Vernon Sletten, School of Education, University of Montana, Missoula.

[39] Ben Havdahl, Executive Secretary, Montana Petroleum Association.

[40] Organized June 28, 1960.

[41] Superintendent of Banks, State of Montana.

[42] Total includes "other deposits," but these are not relevant to this study.

Table 11

Superior

Contract: 1/21/60
Construction started: 3/29/60
Opened to traffic: 9/10/61
Project accepted: 7/20/62

(1959 = 100)

	1959	1960	1961	1962	1963	1964
Personal income estimates--Mineral County[34]	100.00	92.17	100.87	98.21		
Gross receipts[35]	100.00	111.51	101.42	148.33	151.03	
Highway-oriented	100.00	104.99	91.58	99.93	94.99	
Not highway-oriented	100.00	114.28	105.62	168.96	174.91	
Electric customers[36]	100.00	102.26	105.09	100.75	102.08	113.58
Kwh sales of electricity[36]	100.00	102.04	102.93	87.41	108.64	112.09
Commercial	100.00	121.84	119.02	130.18	133.75	135.11
Industrial	100.00	95.62	95.83	72.50	101.30	103.04
Residential	100.00	118.55	122.21	125.27	125.78	136.10
Water customers[36]	100.00	99.74	97.10	94.46	96.31	105.01
Telephone customers[37]						
Residence	100.00	112.85	113.54	103.82	107.29	117.71
Business	100.00	100.00	101.25	97.50	95.00	106.25
School enrollment (October 1)[38]						
Elementary	100.00	104.83	95.86	84.83	101.03	107.24
Secondary	100.00	82.31	86.15	87.69	99.23	92.31
Gallonage of gasoline sales[39]	100.00	106.22		107.53	90.86	105.52
Bank deposits, total--First State Bank of Mineral County[40] (1961=100)[41, 42]			100.00	139.11	154.43	193.62
Demand			100.00	130.04	121.74	150.90
Time			100.00	260.56	368.34	497.11

Sources: See Table 10

industry and number of electric, residential telephone, and water customers for the years 1961-1963. That there was a major strike against the company during 1962 shows up clearly.

From the data, from conversations with people there, and from the consideration of its location, it is difficult to see that Superior as a whole was hurt much, if at all, by the bypass. Gross receipts obtainable for highway-oriented firms still were lower in 1963 than in 1959, but only by 5 percent. While some highway oriented firms went out of business after the bypass was opened, three new filling stations and a new motel were opened on the access road, and it may be noted that gasoline gallonage was higher in 1964 than in 1959. The fact that gross receipts for highway-oriented firms show a bulge in 1962 and a drop in 1963 is attributable to the traffic resulting from the world's fair in Seattle in 1962. (One woman in Superior commented, "The bypass probably hurt our business some but, thank heavens, we didn't have all that Seattle fair traffic going right through town.")

Certainly growth in firms not highway-oriented more than offset the decline in highway-oriented businesses. Again, the gross receipts data need to be viewed with considerable caution, as already stressed. When taken, however, in conjunction with other data -- electric, water, and telephone customers; commercial and residential electricity sales; and bank deposits -- the indication of a growing community during the period studied is clear. The fact that a new bank was established during the bypassing of Superior would indicate that neither the founders nor the banking authorities--the Federal Deposit Insurance Corporation as well as the State Superintendent of Banks--expected the bypass to affect the community very adversely. The subsequent record of growth for the bank confirms the optimism of both the founders and the banking authorities.

Considering the location of Superior, it seems reasonable to doubt that much of a future for it could lie in businesses oriented to main highway traffic, with or without a bypass. Put bluntly, Superior is a town whose main street appears most inadequate for highway traffic and convenient parking accommodations for those wishing to patronize the businesses of the community. The old highway-main street is quite narrow, and sloped fairly steeply to the middle of town from both east and west. For those wanting to stop immediately before or after driving Lookout Pass, St. Regis is closer to the Pass. For those wanting the greater variety of choice afforded by a larger community, Missoula is less than an hour's drive away.

Special problems for Superior and its environs, it is claimed, lie in the shortcomings of the interchange facilities provided. Much timber near Superior is north of the Clark Fork River, yet getting logs south of the river--necessary to move them to points of further processing--requires the use of a bridge inadequate for heavy loads and a Milwaukee Railroad overpass that is too low, or an awkward interchange. The awkwardness of the interchange also is claimed to affect the hauling of goods into Superior by large trucks. These problems would seem to be problems of engineering bypass facilities (and perhaps, also, of overloaded logging trucks, highballing semi-trailers, and the adequacy or inadequacy of Superior's facilities for handling major freight shipments by trucks twenty-four hours a day), and hence beyond the scope of a study of the effects of bypassing in itself.

In short, highway-oriented businesses were hurt by the bypassing of Superior. In part, some have adjusted by relocating. Meanwhile the community as a whole has continued to grow and prosper.

CONCLUSIONS & RECOMMENDATIONS

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The study of the five bypassed communities indicates a wide range of effects, depending upon the nature of the community, especially the strength of local industry; upon the nature of the bypass; and upon the reaction of the community to the bypass. Cascade and Lima both were adversely affected, initially; but Lima now contemplates exploiting the opportunities presented. Perhaps, in all fairness, the opportunities are greater for Lima than Cascade: their situations differ in many respects. Superior and Deer Lodge, on the other hand, have local industries, including agriculture, whose importance tends to dwarf the highway-oriented businesses.

As explained earlier, several of the series of data used had shortcomings of one type or another for the purposes of this study, especially the gross receipts data. In combination, and supplemented by other information, however, these series have given better indication of developments in the five communities than might have been anticipated.

The task of collecting the gross receipts data in retrospect (and at the time), however, seems disproportionate to the results. This would be even more true for studies of larger communities.

The experience in obtaining gross receipts directly from taxpayers suggests that greater reliance upon that approach might provide more satisfactory results with less time and effort expended. Thus a Chamber of Commerce might aid in the selecting of a representative sample of businesses in the community. It, along with one or more service clubs, might then sponsor a meeting at which the purpose of the study would be explained, and a request made that each firm included in the sample have the data ready when called upon at a specified future time. Any special factors affecting the record of a firm could be explained by the firm, if it wished, when the data were collected. And the opportunity would arise also for personal interviews providing information beyond the data themselves.

It might then be desirable to spot check some of the data against state income tax returns. This, however, would be much less difficult than trying to obtain the data initially from the returns and then trying to fill the inevitable gaps.